

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
)	
Telecommunications Carriers Eligible to)	
Receive Universal Service Support)	WC Docket No. 09-197
)	
)	
Petition for Streamlined Designation as a)	
Lifeline Broadband Provider Eligible)	
Telecommunications Carrier)	
)	

**K-COMMUNICATIONS, INC.
PETITION FOR STREAMLINED DESIGNATION AS A LIFELINE BROADBAND
PROVIDER ELIGIBLE TELECOMMUNICATIONS CARRIER**

SUMMARY

K-Communications, Inc. seeks designation as a Lifeline Broadband Provider (LBP) Eligible Telecommunications Carrier (ETC), pursuant to Section 214(e)(6) of the Communications Act of 1934, as Amended (the Act), Section 54.202 of the Federal Communications Commission's (FCC's or the Commission's) rules, the Lifeline Modernization Order,¹ and the Lifeline Broadband Provider Guidance Public Notice² for the limited purpose of providing Broadband Internet Access Service (BIAS) supported by the Universal Service Fund (USF) Lifeline program. Section 214(e)(6) permits the Commission to grant LBP ETC designation and the Commission's rules provide that states may not designate LBP ETCs.

¹ See *Lifeline and Linkup Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (Apr. 27, 2016) (Lifeline Modernization Order).

² See *Wireline Competition Bureau Provider Guidance Regarding Designation as a Lifeline Broadband Provider and Lifeline Broadband Minimum Service Standards*, WC Docket Nos. 11-42, 09-197, Public Notice, DA 16-118 (rel. Sept. 30, 2016) (Lifeline Broadband Provider Guidance Public Notice).

As described in greater detail herein, K-Communications, Inc. satisfies all of the requirements for streamlined designation as an LBP ETC and is committed to complying with all of the Commission's rules and requirements for ETCs providing broadband, including the minimum service standards in Section 54.408 of the Commission's rules. The Company has an established track record of providing quality voice and broadband services for more than 31 years. As of the date of this filing, the Company provides voice and/or broadband service to subscribers, but at this time the subscriber count is less than 1,000. Therefore, K-Communications, Inc. is eligible for 6-month timeframe for processing of its LBP ETC designation and this Petition should be deemed granted within the duration of the 6-months.³

K-Communications, Inc.'s broadband service offering will provide eligible Lifeline subscribers with at least 10 Mbps/1 Mbps speeds. K-Communications, Inc. will not conduct credit checks or collect deposits, thereby eliminating service barriers for low-income or credit-challenged subscribers. To maximize consumer choice, the Company offers different speed tiers meeting or exceeding the minimum service standards. This flexibility allows consumers to adjust their broadband service levels to meet their changing needs.

Designation of K-Communications, Inc. as an LBP ETC is in the public interest. Such designation will provide consumers with an alternative for obtaining quality, reliable and convenient broadband service, when they need it, and will introduce new competition to the Lifeline market. This competition, in turn, will motivate other service providers to improve their service offerings to low-income consumers, thereby spurring service-level innovation in the Lifeline broadband service market. Consumers will gain convenient and immediate Internet access that may be effectively unavailable or simply not the best option for the consumer. K-Communications, Inc.'s proposed Lifeline-supported broadband service offerings promote the goals of the Act as the Company's plans "secure lower prices and higher quality services for American telecommunications consumers and

³ See 47 C.F.R. • 54.202(d)(1).

encourage the rapid deployment of new telecommunications technologies” to consumers,⁴ accordingly, and consistent with the streamlined processing provided for LBP ETCs in the Lifeline Modernization Order. K-Communications, Inc. respectfully requests expeditious review and approval of the Petition no later than June 30, 2017.

⁴ Telecommunications Act of 1996, 47 USC ● 151 *et seq.*

K-COMMUNICATIONS, INC.
PETITION FOR STREAMLINED DESIGNATION AS A LIFELINE BROADBAND
PROVIDER ELIGIBLE TELECOMMUNICATIONS CARRIER

K-Communications, Inc., pursuant to Section 214(e) of the Communications Act of 1934, as Amended (the Act) 47 U.S.C. • 214 (e) and Section 54.202 of the Federal Communications Commission's (Commission's or FCC's) rules, 47 C.F.R. • 54.202, hereby requests streamlined designation as a Lifeline Broadband Provider (LBP) Eligible Telecommunications Carrier (ETC) in Minnesota for the sole purpose of receiving universal service Lifeline support for the provision of Broadband Internet Access Service (BIAS).⁵

The Commission has sole jurisdiction, pursuant to Section 214(e)(6), to review and grant the Company's request for designation as an LBP ETC and, in its Lifeline Modernization Order, the Commission explicitly preempted state designation of broadband providers.⁶ Petitions for LBP ETC designation will be deemed granted within sixty days of the filing date for applicants that have provided BIAS to the public for at least two years and serve at least 1,000 non-Lifeline subscribers with voice telephony and/or BIAS as of the filing date.⁷ By the Petition, K-Communications, Inc. requests LBP ETC designation in Minnesota.

As discussed in more detail below, K-Communications, Inc. meets the requirements for designation as an LBP ETC and is able and prepared to offer the Lifeline-supported Broadband Internet Access Service in the requested state. Granting K-Communications, Inc., LBP ETC

⁵ See *Lifeline and Linkup Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (Apr. 27, 2016) (Lifeline Modernization Order) and *Wireline Competition Bureau Provides Guidance Regarding Designation as a Lifeline Broadband Provider and Lifeline Broadband Minimum Service Standards*, WC Docket Nos. 11-42, 09-197, Public Notice, DA 16-118 (rel. Sept. 30, 2016) (Lifeline Broadband Provider Guidance Public Notice). Broadband Internet access service is as defined by the Commission as a "service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service." *Id.*, ¶30.

⁶ See Lifeline Modernization Order ¶232.

⁷ See 47 C.F.R. • 54.202(d)(1).

status will benefit the public interest by increasing the availability of quality broadband service offerings to a broad range of low-income consumers eligible for Lifeline benefits.

I. ABOUT K-COMMUNICATIONS, INC.

K-Communications, Inc. is an established provider of Broadband Internet Access Services (BIAS). The Company has provided BIAS without interruption, for over 10 years.

K-Communications, Inc. proposed Lifeline-supported BIAS will provide eligible subscribers with fast and convenient Internet access for activities ranging from researching and applying for jobs to completing homework assignments.

II. K-COMMUNICATIONS, INC. MEETS THE COMMISSION'S REQUIREMENTS FOR DESIGNATION AS A LIFELINE BROADBAND PROVIDER AND FOR STREAMLINED PROCESSING OF THIS PETITION

Section 54.202 of the Commission's rules outlines the requirements that must be met before the FCC can designate a carrier as an LBP ETC. As discussed in further detail below, K-Communications, Inc. meets these requirements and LBP ETC designation is warranted. Further, K-Communications, Inc. qualifies for 6-month processing of the Petition.

As a provider of BIAS to the public, K-Communications, Inc. is a common carrier. In the Lifeline Modernization Order, the Commission recognized BIAS as a telecommunications service, which providers have been able to offer as a common carrier service since 2007.⁸

⁸ See Lifeline Modernization Order 39 and n. 92 (citing to *Protecting and Promoting the Open Internet*, GN Docket No. 14-28, Report and Order on Remand, Declaratory Ruling, FCC 15-24 331-335 (2015) and *Appropriate Regulatory Treatment for Broadband Access to the Internet Over Wireless Networks*, WT Docket No. 07-53, Declaratory Ruling, FCC 07-30, 33 (2007)).

a) K-Communications, Inc. certifies it will comply with the service requirements applicable to the support the Company receives, including the applicable minimum service standards.⁹

K-Communications, Inc. certifies that it will comply with the service requirements applicable to the support the Company receives, including the applicable minimum service standards.¹⁰

K-Communications, Inc. will provide Lifeline-supported BIAS and will make the services available to all qualified consumers consistent with the coverage area. Included as an **Exhibit** is a chart identifying the state and service area by zip code in which K-Communications, Inc. seeks designation as an LBP ETC to provide Lifeline broadband service.¹¹ The Company seeks designation to serve any subscribers within the network footprint. The Company's broadband service will enable subscribers to transmit data to and receive data from all or substantially all Internet endpoints and will include all capabilities incidental to, or that enable operation of the communications service. The service will enable such transmission and receipt by fiber and it excludes dial-up Internet access service.

K-Communications, Inc.'s Lifeline-supported BIAS will comply with the Lifeline program's minimum service standards.¹²

The Company understands that it must continue to comply with any future additions to amendments of the Lifeline rules and will revise its offerings as necessary to comply, in the future, with updated service standards.¹³ K-Communications, Inc. will not conduct credit checks, require contracts or collect deposits, thereby eliminating the barriers to service often confronting many Lifeline-eligible consumers.

⁹ 47 C.F.R. §§54.202(a)(1)(i), 54.408; Lifeline Broadband Provider Guidance Public Notice ●10.

¹⁰ *Id.*

¹¹ See Lifeline Broadband Provider Guidance Public Notice ●11.

¹² See 47 C.F.R. ● 54.408(b)(2).

¹³ See Lifeline Modernization Order ●3; 47 C.F.R. ● 54.408(a)(2), (b)(2)(ii), (c).

b) *K-Communications, Inc. has the ability to remain functional in emergency situations.*¹⁴

K-Communications, Inc. has established reasonable provisions to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators or from fire, storm, or acts of God including provisions for emergency power that meet or exceed the rule requirement to provide:

- A minimum of 8 hours of battery service.
- A permanently installed power unit.
- Mobile power units that can be delivered on short notice and which can be readily connected in offices without installed emergency power facilities.

c) *K-Communications, Inc. will satisfy applicable consumer protection and service quality standards.*¹⁵

K-Communications, Inc. currently abides by and will continue to be compliant with current and future industry established standards for consumer protection and service quality.

d) *K-Communications, Inc. is financially and technically capable of providing Lifeline-supported BIAS broadband services in compliance with the Commission's rules.*¹⁶

Commission rule 54.202(a)(4) requires ETC petitioners to demonstrate financial and technical capability to comply with the Commission's Lifeline service requirements.¹⁷ K-Communications, Inc. provides broadband services to non-Lifeline customers, and is not solely dependent on Lifeline subscribers for revenues.

¹⁴ See 47 C.F.R. ● 54.202(a)(2); Lifeline Broadband Provider Guidance Public Notice ●10.

¹⁵ See 47 C.F.R. ● 54.202(a)(3); Lifeline Broadband Provider Guidance Public Notice ●10.

¹⁶ See 47 C.F.R. ● 54.202(a)(4); Lifeline Broadband Provider Guidance Public Notice ●10.

¹⁷ See *id.*

The Company has provided telecommunications service for over 30 years. K-Communications, Inc. produced a profit in 2016 as well as in previous years. Consequently, the Company has access to sufficient funds to operate its business and is not dependent on reimbursement from the Lifeline Fund to continue operations. In addition, K-Communications, Inc.'s experience in providing telecommunications services and BIAS ensures the Company has the technical capability to provide Lifeline broadband services in accordance with the Commission's rules.

e) ***Terms and conditions of K-Communications, Inc.'s plan for Lifeline subscribers.***¹⁸

K-Communications, Inc. will offer Lifeline subscribers voice and BIAS offerings that meet or exceed the minimum service standards for a fixed provider.

f) ***K-Communications, Inc. will advertise the availability of its service and charges in a manner reasonably designed to reach Lifeline-eligible consumers and will comply with the Commission's revised rules regarding information to be included in advertisements.***¹⁹

K-Communications, Inc. intends to offer its Lifeline-supported voice and BIAS to all eligible low-income consumers and, accordingly, will advertise its Lifeline services using media reasonably calculated to reach the general public as clarified in the Lifeline Modernization Order. In that order, the Commission clarified that "media of general distribution" is "any media reasonably calculated to reach the general public or, for an LBP, the specific audience that makes up the demographic for a particular service offering".²⁰ The Company will use these media to advertise the availability of its services to Lifeline subscribers and will expand its advertising efforts if necessary to ensure that Lifeline-eligible subscribers are aware of the service offerings.²¹

¹⁸ See 47 C.F.R. • 54.202(a)(6); Lifeline Broadband Provider Guidance Public Notice •10.

¹⁹ See 47 C.F.R. •• 54.201(d)(2), 54.405(b); 47 U.S.C. • 214(e)(1)(B).

²⁰ Lifeline Modernization Order •364.

²¹ See 47 C.F.R. • 54.405(b).

K-Communications, Inc. will ensure that all of its Lifeline advertising materials comply with Section 54.405(c) of the Commission's rules. Specifically, K-Communications, Inc.'s advertising material will state, in easily understood language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance program; (iii) the service may not be transferred to someone else; (iv) consumers must meet certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline program permits only one Lifeline discount per household; (vi) that documentation is necessary for enrollment; and (vii) K-Communications, Inc. is the provider of the services.²² In addition, K-Communications, Inc.'s application form will state that subscribers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the programs.

g) *K-Communications, Inc. will comply with the additional ETC obligations.*

K-Communications, Inc. is aware of the Commission's current requirements regarding certification and verification of a customer's qualification for Lifeline service²³ and has implemented procedures to ensure the requirements are met.²⁴ These procedures comply with the Commission's customer certification and verification requirements.²⁵

²² See 47 C.F.R. ● 54.405(c).

²³ See 47 C.F.R. ● 54.410.

²⁴ 2012 Lifeline Reform Order ● 110. K-Communications, Inc. will retain copies of documentation demonstrating the applicant's income-based or program-based eligibility determination for Lifeline service as required by Commission rules. See 47 C.F.R. ● 54.410(b)(1)(ii), (c)(1)(ii).

²⁵ See 47 C.F.R. ● 54.410.

K-Communications, Inc. will check the applicant against the National Lifeline Accountability Database prior to initiating service and will utilize the National Lifeline Eligibility Verifier once that system is available.²⁶ K-Communications, Inc. will also comply with the annual certification and reporting requirements and the Commission's measures to prevent waste, fraud and abuse of Lifeline services.²⁷ K-Communications, Inc. will not seek Lifeline reimbursement for any subscriber that received Lifeline-supported service from another provider within the previous 60-days or 12 months except as permitted by Commission rules.²⁸

h) K-Communications, Inc. qualifies for 6-month processing of its LBP ETC designation.

The Commission's Lifeline Modernization Order, as reflected in new rule 54.202(d), provides a streamlined process for approving LBP ETC petitions where certain criteria are met.²⁹ To qualify for LBP ETC designation, applicants must meet the ETC requirement Section 214(e) of the Act, and FCC rules 54.201 and 54.202.³⁰ However, petitions for LBP ETC designation will be deemed granted, unless the Commission notifies the applicant otherwise, within 6-months of the submission of a complete petition if the filer demonstrates financial stability and experience in providing broadband service.³¹ In addition, the applicant must have offered broadband service, without interruption, for the two years prior to the filing date.³²

²⁶ See Lifeline Modernization Order ●126.

²⁷ See 47 C.F.R. ● 54.416, 54.422.

²⁸ See 47 C.F.R. ● 54.411(a),(c).

²⁹ See Lifeline Modernization Order ●277-284; 47 C.F.R. ● 54.202(d)(91); Lifeline Broadband Provider Guidance Public Notice ●6.

³⁰ See Lifeline Modernization Order ●284.

³¹ See Lifeline Modernization Order ●278. See also 47 C.F.R. ● 54.202(d)(1).

³² See *id.*

K-Communications, Inc. meets all of the requirements for streamlined LBP ETC designation. K-Communications, Inc. provided, in Sections II (a)-(i), *supra*, all of the information required by Section 214(e) of the Act and FCC rules 54.201 and 54.202. Moreover, K-Communications, Inc. has been providing, without interruption, both voice telecommunications and broadband service meeting FCC standards to non-Lifeline customers since 2011.³³ Accordingly, K-Communications, Inc. meets all of the criteria for the 6-month timeframe to grant its LBP ETC designation.

III. THE PUBLIC INTEREST WILL BENEFIT FROM GRANTING LBP ETC STATUS TO K-COMMUNICATIONS, INC.

The Commission's rules require that, before granting a request for ETC designation, the Commission must find that grant of the designation would be in the public interest.³⁴ In determining if the public interest showing has been met, in the context of voice Lifeline service, the Commission considers the "benefits of increased consumer choice and the unique advantages and disadvantages of the applicant's service offering."³⁵ These considerations should apply equally to an LBP ETC designation regarding public interest showing.

The Commission has described broadband as the "essential communications medium of the digital economy," noting that "[a]ccess to broadband shortens the distance to high-quality education, meaningful employment, and reliable healthcare. It is now the dominant technology used to communicate, educate, inform, and entertain."³⁶ However, the Commission has recognized that a "digital divide" still exists with low-income consumers "adopting broadband at rates well below the rest of the country."³⁷

³³ See 47 C.F.R. § 54.202(d)(1).

³⁴ See 47 C.F.R. § 54.202(b).

³⁵ See e.g., 2010 Virgin Mobile ETC Order, ¶6.

³⁶ See Lifeline Modernization Order ¶12.

³⁷ *Id.* ¶19.

K-Communications, Inc.'s broadband service will enable Lifeline-eligible subscribers to access the Internet for tasks such as researching jobs, communicating with their employer, children's schools or family and friends by email, or completing homework assignments. The nature of the service will be particularly attractive to Lifeline-eligible consumers who will now have immediate and convenient Internet access – at home – thereby eliminating the need to undertake time-consuming or costly travel to a library or other location for public Internet access.

K-Communications, Inc. recognizes that Lifeline-eligible consumers are often faced with making difficult choices about how to allocate and spend their limited resources. The ability to meet their Internet access needs while at the same time anticipating and controlling the associated costs is critical. K-Communications, Inc.'s Lifeline-supported broadband service provides consumers with guaranteed broadband capacity each month.

K-Communications, Inc.'s experience as a provider demonstrates the Company's commitment and ability to provide quality Lifeline services to eligible, low-income consumers in compliance with program requirements. K-Communications, Inc.'s commitment to quality service, combined with an attractive offering of ample broadband capacity, will provide more choices and more value for Lifeline-eligible consumers. Accordingly, grant of the Petition is in the public interest.

IV. ANTI-DRUG ABUSE CERTIFICATION

K-Communications, Inc. certifies that no party to this petition is subject to denial of Federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

V. CONCLUSION

For the foregoing reasons, K-Communications, Inc. asserts that grant of the instant Petition for Limited Designation as an LBP ETC is in the public interest and is warranted in accordance with Section 214(e)(6) of the Act.

Respectfully submitted,



Roxanne Hacker
Regulatory Consultant
K-Communications, Inc.

Dated: 12-28-16

Declaration of K-Communications, Inc.

I, Terry Nelson, CEO of K-Communications, Inc., hereby declare under penalty of perjury that the facts and certifications set forth in the foregoing Petition of K-Communications, Inc. for Designation as a Lifeline Broadband Provider are true and correct to the best of my knowledge and belief.

Terry Nelson
Name

12-30-2016
Date